

District Improvement Finance Program

Accelerating Economic Development



Overview

The District Improvement Financing Program (DIF) is a public financing alternative available to all cities and towns in the Commonwealth. The DIF enables municipalities to fund public works, infrastructure, and development projects by allocating future, incremental tax revenues collected from a predefined district to pay project costs.

How It Works

DIF is locally driven and approved by the Economic Assistance Coordinating Council (EACC). The municipality must define the district and document a development program describing, among other things, how the DIF will encourage increased residential, commercial and industrial activity within the district. It must also detail the project improvements, financing plans, and community benefits. After the local public hearings and approvals, the municipality must submit an application to the EACC for final approval prior to implementing the program.

Advantages

The municipal investment is designed to stimulate private investment which, in turn, increases the taxable value of property and generates the incremental taxes.

- No new taxes are levied, and the DIF does not reduce or redirect current property tax revenues.
- Cities and towns are eligible to utilize this financing alternative without qualifying as open-blighted, decadent, substandard, or economically impaired.
- DIF empowers municipalities to forward public purposes while assisting the private sector in its goals.
- Financing terms are negotiable and can be tailored to suit the situation.

Eligibility

DIF is available to all cities and towns in the Commonwealth of Massachusetts that have projects meeting DIF regulations and guidelines.

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